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12 **UNITED STATES BANKRUPTCY COURT**

13 **EASTERN DISTRICT OF CALIFORNIA**

14 **FRESNO DIVISION**

15 In re

16 Case No. 17-13797

17 TULARE LOCAL HEALTHCARE  
18 DISTRICT, dba TULARE REGIONAL  
19 MEDICAL CENTER,

20 Chapter: Chapter 9

21 DC No.: BPC-001

22 Debtor.

23 Date: October 25, 2018

24 Tax ID #: 94-6002897  
25 Address 869 N. Cherry St.  
26 Tulare, CA 93274

27 Time: 9:30 a.m.

28 Ctrm.: 13

29 2500 Tulare Street  
30 Fresno, CA 93721

31 Judge: Honorable René Lastreto II

32 **STIPULATION TO CONTINUE HEARING ON WELLS FARGO VENDOR FINANCIAL  
33 SERVICES, LLC'S MOTION FOR ORDER (A) COMPELLING ASSUMPTION OR  
34 REJECTION OF EQUIPMENT LEASES AND (B) DIRECTING PAYMENT OF POST-  
35 PETITION ADMINISTRATIVE RENT OR, ALTERNATIVELY, (C) TERMINATING THE  
36 AUTOMATIC STAY**

37 Tulare Local Healthcare District, dba Tulare Regional Medical Center (the  
38 "District"), the debtor in the above-captioned case, and Wells Fargo Vendor Financial  
39 Services, LLC ("WFVFS") (WFVFS and the District are referred to herein, collectively, as  
40 "the Parties"), hereby stipulate and agree to continue the hearing on the WFVFS's  
41 Motion for Order (A) Compelling Assumption or Rejection of Equipment Leases and (B)  
42 Directing Payment of Post-Petition Administrative Rent Or, Alternatively, (C) Terminating  
43 the Automatic Stay, as set forth below.

## **STIPULATED FACTS**

2 A. On September 30, 2017 (“Petition Date”), the District commenced its  
3 Chapter 9 case.

4 B. This Court has jurisdiction over this matter pursuant to 28 U.S.C. § 157 and  
5 1334. Venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409. This is a core  
6 proceeding under 28 U.S.C. § 157(b)(2).

7 C. This stipulation is entered into pursuant to 11 U.S.C. §§ 365 and 901 and  
8 LBR 9019.

9 D. On June 29, 2018, WFVFS filed its Motion for Order (A) Compelling  
10 Assumption or Rejection of Equipment Leases and (B) Directing Payment of Post-  
11 Petition Administrative Rent or, Alternatively, (C) Terminating the Automatic Stay [Dkt.  
12 581; BPC-001] (the "Motion to Compel"). By the Motion to Compel, WFVFS seeks,  
13 among other things, an order requiring the District to assume or reject two unexpired  
14 executory contracts pursuant to which the District leases certain photocopying  
15 equipment (as defined herein, "WFVFS's Potential Assumed Contract(s)").

16       E.     On July 20, 2018, the District filed its Motion for Authority to Enter Into  
17 Transaction Including Borrowing Funds, Sales of Personal Property and Providing  
18 Security, Assumption and Assignment of Contracts and Leases and for Authority to  
19 Lease Real Property Pursuant to 11 U.S.C. Sections 105, 362, 364, 901 and 922, as  
20 well as certain declarations and exhibits in support thereof [Dkt. 603; WW-41]  
21 (collectively, the "Transaction Motion").

22 F. By the Transaction Motion, the District designates WFVFS as having at  
23 least one "Potential Assumed Contract" (i.e., WFVFS's Potential Assumed Contract(s))  
24 and indicates that the amount of the District's default, which default the District must cure  
25 to assume and assign WFVFS's Potential Assumed Contract(s) under Section 365 of the  
26 Bankruptcy Code, is "\$0.00" (the "Cure Amount").

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G. On August 1, 2018, WVFVS filed an objection to the District's Transaction Motion (Dkt. 640) ("Objection").

H. By the Objection, WFVFS objects, among other things, to the District's  
Cure Amount.

5 I. On August 1, 2018, the Court entered an order approving the Parties'  
6 stipulation to continue the hearing on the Motion to Compel to October 25, 2018, at 9:30  
7 a.m. [Dkt. 637].

8 J. On August 2, 2018, the Court held a hearing on the Transaction Motion, at  
9 which time the Parties agreed to continue the hearing on assumption and assignment of  
10 WFVFS's Potential Assumed Contract(s) under either the Motion to Compel or the  
11 Transaction Motion, to November 29, 2018 at 9:30 a.m. The Parties further agreed that  
12 the District's deadline to file a response to the Objection shall not be later than  
13 November 15, 2018. The continued hearing date and responsive deadline were  
14 incorporated into the Court's order dated August 3, 2018. [Dkt. 678].

15 K. WFVFS has informed the District that the equipment that is the subject of  
16 WFVFS's Potential Assumed Contract(s) are depreciating in value on a daily basis.  
17 Accordingly, WFVFS has requested that the District determine whether it will assume or  
18 reject WFVFS's Potential Assumed Contract(s) as soon as possible.

## **STIPULATION AND AGREEMENT**

20 Subject to Court approval, the District and WVFVS hereby stipulate and agree as  
21 follows:

22        1. The foregoing Stipulated Facts are incorporated herein by reference.

23        2. The District shall determine whether it will assume or reject WFVFS's

24 Potential Assumed Contract(s) by October 31, 2018

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1       3.     As the hearing on assumption and assignment of WFVFS's Potential  
2 Assumed Contract(s) has been continued to November 29, 2018 at 9:30 a.m. (with the  
3 District's deadline to file and serve a response to WFVFS's Objection fixed as November  
4 15, 2018 [Dkt. 678]), the hearing on the Motion to Compel currently scheduled for  
5 October 25, 2018, at 9:30 a.m., also shall be continued to November 29, 2018, at 9:30  
6 a.m.

7       4. The District shall not assume nor assign WFVFS's Potential Assumed  
8 Contract(s) absent a resolution of the Cure Amount and related issues by mutual  
9 consent of the Parties or by further order of the Court.

10 | IT IS SO STIPULATED

11 Dated: 10/15 , 2018 WALTER WILHELM LAW GROUP

WALTER WILHELM LAW GROUP

By

Danielle J. Bethel  
Attorneys for Tulare Local Healthcare  
District, dba Tulare Regional Medical  
Center

Dated: October 15, 2018

BUCHHALTER

BV

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